



74TH CONGRESS  
1ST SESSION

# H. R. 9216

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## IN THE HOUSE OF REPRESENTATIVES

AUGUST 22, 1935

Mr. GOLDSBOROUGH introduced the following bill; which was referred to the Committee on Banking and Currency and ordered to be printed

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## A BILL

To restore to Congress its Constitutional power to issue money and regulate the value thereof; to provide monetary income to the people of the United States at a fixed and equitable purchasing power of the dollar, ample at all times to enable the people to buy wanted goods and services at full capacity of the industries and commercial facilities of the United States; to abolish the practice of creating bank deposits by private groups upon fractional reserves, and for other purposes.

Whereas the Constitution of the United States in article I, section 8, clause 5, provides that Congress shall have the power to coin money and regulate the value thereof and of foreign coins; and

Whereas the present practice of issuing book credits by commercial banks, and transferring the title of said credits by check provides a supplementary means of payment sub-

versive of the said Constitutional provision and establishes a separate, private, and independent money system; and

Whereas the permanent welfare of the people and the protection of the economic life of the Nation are dependent on the establishment of a monetary system wholly subject to the control of Congress that will promote the interests of agriculture and labor, of industry, trade, commerce, and finance for the economic well-being of all citizens by the maintenance of an adequate supply of money with a unit of fixed average purchasing power, which will avoid excessive expansion or disastrous contraction: Now, therefore

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

## TITLE I—NATIONAL CREDIT

### DECLARATION OF POLICY

SECTION 1. That it is hereby declared to be the policy of Congress to provide such issuances of certificates of national credit as shall be requisite so to increase the purchasing power of the consumers of the United States as to make it conform to the capacity of the industries and people of the United States for the production and delivery of wanted goods and services, which capacity is declared to be the measure of national credit.

SEC. 2. In pursuance of such policy, the said certificates of national credit to be issued are for financing: (1) a discount on prices to consumers at retail, and (2) a national consumers' dividend.

1        SEC. 3. As used in this title—

2        (a) The term “national credit account” means the  
3 money valuation of the annual unused capacity of the indus-  
4 tries and people of the United States to produce wanted  
5 goods and services.

6        (b) The term “credit certificates” means noninterest-  
7 bearing United States Treasury credit certificates issued  
8 against the national credit account, which are to circulate  
9 as money throughout the banking system only, as legal  
10 tender between all banks in settlement of interbank balances  
11 through clearing house associations.

12        (c) The term “retail discount rate” means a decimal  
13 figure to be published by the Secretary of the Treasury, as  
14 determined by the Federal Credit Commission as hereinafter  
15 provided, to be applied as a discount on the price of goods  
16 and services offered by retailers.

17        (d) The term “compensated price” means the retail  
18 price of goods and services after the application of the retail  
19 discount, the amount of which discount is reimbursed to the  
20 retailer as hereinafter provided.

21        (e) The term “retailer” means any seller of goods,  
22 including dwellings, and/or services to ultimate consumers  
23 for their individual and family use, and not for resale, pro-  
24 vided that the seller shall have contracted with the Secre-  
25 tary of the Treasury to dispense the retail discount. The



1 term "retailer" includes all service corporations insofar as  
2 they supply services to the public at retail for personal and  
3 family use.

4 (f) The term "services" means passenger trans-  
5 portation, distribution to homes of gas and electricity for  
6 light, heat, power, and telephone transmission, rentals of  
7 homes, services of amusement and educational agencies,  
8 medical and hospital treatment, and such other services to  
9 ultimate consumers as are rendered under code agreements  
10 with the Agricultural Adjustment and National Recovery  
11 Administrations, or other agency or agencies authorized by  
12 law.

### 13 DETERMINATION OF RETAIL DISCOUNT

14 SEC. 4. Beginning ninety days after the passage of  
15 this Act, the retail discount rate for each month shall be  
16 determined by the Federal Credit Commission and pro-  
17 claimed by the Secretary of the Treasury on the first day  
18 of each month. Upon the passage of this Act and until  
19 the retail discount rate is determined and proclaimed as  
20 above provided, the retail discount rate shall be 25 per  
21 centum.

22 Thereafter the retail discount rate shall be that percent-  
23 age which unused productive capacity bears to total productive  
24 capacity. In determining such percentage, productive ca-  
25 pacity shall be ascertained by estimating the total capacity

1 of the industries and people of the United States for the  
2 production of wanted goods and services for the next preced-  
3 ing three months' period for which figures shall be available;  
4 to this shall be added an estimate of imports for the next  
5 preceding three months' period for which figures shall be  
6 available.

7       Unused productive capacity shall be reckoned as the  
8 difference between total consumption and productive capacity.  
9 Consumption shall be ascertained by estimating actual domes-  
10 tic consumption of goods and services for the next preced-  
11 ing three months' period for which figures shall be available,  
12 plus an estimate of exports for the next preceding three  
13 months' period for which figures shall be available, plus a  
14 fixed percentage for capital depreciation, to be determined  
15 according to estimates of the Federal Credit Commission.  
16 The level of values used in ascertaining consumption and  
17 productive capacity shall be the same, and as far as possible  
18 shall conform to the average of prices recorded by the Fed-  
19 eral Bureau of Labor Statistics in constructing its index of  
20 wholesale prices.

21       No retail discount rate shall be determined or pro-  
22 claimed unless productive capacity, ascertained as above  
23 prescribed, shall exceed consumption ascertained as above  
24 prescribed by at least 20 per centum.

1       The retail discount rate proclaimed by the Secretary of  
2 the Treasury shall be the rate determined by the Federal  
3 Credit Commission: *Provided*, That the rate proclaimed shall  
4 not exceed the next preceding rate by a figure of more than  
5 5 per centum.

6       It shall be unlawful for any member or employee  
7 of the Federal Credit Commission to disclose the retail dis-  
8 count rate or any information received or employed in con-  
9 nection with the determination of the retail discount rate  
10 before said rate shall have been proclaimed by the Secretary  
11 of the Treasury. After such proclamation the data used  
12 in the determination of the retail discount rate shall be made  
13 a matter of public record.

14           APPLICATION OF RETAIL DISCOUNT RATE

15       SEC. 5. On and after the passage of this Act, the  
16 retail discount rate shall be applicable to purchases of goods  
17 and services from retailers as defined in this Act, made by  
18 consumers who are natural persons: *Provided*, That said  
19 purchases are for personal use of the consumer or his family  
20 and not for resale, trade, or manufacture.

21       The retail discount shall be paid in the manner pre-  
22 scribed by the regulations of the Secretary of the Treasury,  
23 and the disbursements of said retail discount in trade shall be  
24 evidenced by suitable vouchers, or forms prescribed by the  
25 Secretary of the Treasury.



1       As hereinafter provided, said vouchers shall be used  
2 in reimbursing the retailer for his disbursal of the retail  
3 discount by selling goods or services at the discount price.  
4 The intent of this Act is to provide a continuous settlement  
5 through the banks to the retailers for the disbursals of the  
6 retail discount as provided in this title.

## 7                   CONTRACTS AND REGULATIONS

8       Retailers, wholesalers, manufacturers, and prime pro-  
9 ducers are hereby authorized to make voluntary contracts  
10 with the Secretary of the Treasury under their respective  
11 codes, as authorized by law, or under the regulations of  
12 their respective trade and professional associations: (1) in  
13 the case of retailers, in order to qualify them to dispense the  
14 retail discount and reap the benefit thereof; and (2) in the  
15 case of wholesalers, manufacturers, and prime producers, in  
16 order to qualify them to dispense their goods and services  
17 to retailers, sharing with them the benefits of increased trade  
18 under said codes or regulations. Said contracts shall specify  
19 in each case that the contractor agrees to such regulations  
20 as to cost accounting, fair trade practices and professional  
21 ethics as shall be prescribed by said trade and professional  
22 associations or other agency or agencies authorized by law.  
23 Said contracts with retailers shall provide in each instance,  
24 that the retailer agrees to deal only with wholesalers,  
25 manufacturers, prime producers, and purveyors of services,

1 who have entered into contract, as aforesaid, with the Secre-  
2 tary of the Treasury.

3 The Secretary of the Treasury may suspend or abro-  
4 gate any contract made as above prescribed, after due notice  
5 and opportunity for a hearing, for violation of the terms  
6 or conditions thereof.

7 Any person who falsifies or causes to be falsified any  
8 account relating to a contract with the Secretary of the  
9 Treasury made as above prescribed, shall be punished, upon  
10 conviction thereof, by a fine of not more than \$10,000 or  
11 by imprisonment for not more than two years.

12 SETTLEMENT OF DISCOUNT ALLOWANCES

13 SEC. 7. In order to compensate retailers for their dis-  
14 bursals of the retail discount, all banks in the United States,  
15 its Territories and possessions, engaged in interstate or  
16 foreign commerce, are hereby authorized and directed to  
17 accept all vouchers evidencing disbursal of the retail dis-  
18 count, as if they were legal tender, and to honor such  
19 vouchers as deposits in the amount of the disbursals evi-  
20 denced thereby. Credits entered to depositors on account  
21 of retail discount vouchers shall be charged to the national  
22 credit account, and the banks, upon application to the  
23 Secretary of the Treasury or such agency as may be des-  
24 ignated by him, shall be reimbursed for the demand deposits  
25 allowed by them under this Act by the issuance to them



1 of a like amount of Treasury credit certificates as hereinafter  
2 provided.

3 Any bank receiving retail discount vouchers as above  
4 prescribed shall be entitled to make a service charge to  
5 the depositor for handling said vouchers, at a rate to be  
6 fixed by the Federal Credit Commission; but in no event  
7 shall such service charge exceed one-half of 1 per centum  
8 of the amount of the retail discount disbursed.

9 Any person who makes a false entry on a retail dis-  
10 count voucher or who presents a false retail discount  
11 voucher to a bank for deposit or any retailer who manipu-  
12 lates falsely his sales totals in claiming settlement of com-  
13 pensated price shall be punished, upon conviction thereof,  
14 by a fine of not more than \$10,000, or by imprisonment for  
15 not more than two years, or both, and in addition, if he be  
16 a retailer, he shall suffer abrogation of his contract with the  
17 Secretary of the Treasury and shall be prohibited for a  
18 period of two years from the date of his conviction from  
19 engaging in business with any retailer, wholesaler, manu-  
20 facturer or prime producer who shall be under contract with  
21 the Secretary of the Treasury.

## 22 NATIONAL CONSUMERS' DIVIDEND

23 SEC. 8. A national per capita consumers' dividend  
24 amounting to \$5 monthly shall be paid on the first day  
25 of every month during one year after the passage of this

1 Act, to every citizen of the United States and to every  
2 bona fide resident of the United States, its Territories  
3 and possessions. The payment of said dividend shall be  
4 administered under the direction of the Secretary of the  
5 Treasury, and shall be made pursuant to regulations pre-  
6 scribed by him. All payments of the national consumers'  
7 dividend and all expenditures in connection therewith shall  
8 be met by the issue of Treasury credit certificates, as here-  
9 inafter provided. Such certificates shall be issued to banks  
10 or other agencies designated by the Secretary of the Treas-  
11 ury, and shall be accepted by them as a Treasury deposit  
12 against which checks in payment of the national consumers'  
13 dividend and all expenditures in connection therewith may  
14 be drawn.

15 It is the intent of Congress to determine the amount of  
16 the national consumers' dividend from year to year by  
17 making it approximate such percentage of the national credit  
18 account as may be available and not otherwise appropriated,  
19 as deemed advisable by the President of the United States,  
20 but said dividend shall in no case amount to less than 5 per  
21 centum of said account.

## 22 TITLE II—FEDERAL CREDIT COMMISSION

### 23 ORGANIZATION OF COMMISSION

24 SECTION 201. To effectuate the purposes of this Act  
25 there is hereby created a Federal Credit Commission

1 (referred to in this title as the "Commission"). The  
2 Commission shall be composed of seven Commissioners who  
3 shall be appointed by the President by and with the advice  
4 and consent of the Senate. No person shall be eligible for  
5 appointment as Commissioner unless he is a citizen of the  
6 United States, and in the judgment of the President qualified  
7 to develop expert knowledge of industrial, economic, and  
8 statistical problems and to perform efficiently the duties  
9 required by this Act. Not more than four of the Commis-  
10 sioners shall be members of the same political party. Terms  
11 of office of the Commissioners shall expire, as designated by  
12 the President, one at the end of each of the first seven years  
13 after the passage of this Act. The term of office of a suc-  
14 cessor shall expire seven years from the date of the expira-  
15 tion of the term for which his predecessor was appointed,  
16 except that any Commissioner appointed to fill a vacancy  
17 occurring prior to the expiration of the term for which his  
18 predecessor was appointed shall be appointed for the re-  
19 mainder of such term. Commissioners shall be eligible for  
20 reappointment and shall receive a retiring pension of \$1,000  
21 per year for each year of service, provided that no pension  
22 shall exceed \$7,000 per year.

23 The President shall annually designate one of the com-  
24 missioners to act as chairman of the Commission. Each  
25 commissioner shall receive a salary of \$20,000 a year. No



1 commissioner shall engage in any other business, vocation,  
2 or employment than that of serving as commissioner.

3 DUTIES OF THE COMMISSION

4 SEC. 202. There is hereby created an account in the  
5 Treasury of the United States to be known as the National  
6 Credit Account. Upon the passage of this Act the Com-  
7 mission shall determine annually the value of the unused  
8 capacity of industries and people of the United States for  
9 the production of wanted goods and services, which amount  
10 shall be credited to the National Credit Account. Each  
11 year the amount in the National Credit Account which shall  
12 not have been drawn upon in that year shall be written off.  
13 The level of values used in determining the amount of the  
14 National Credit Account shall be the same as in the deter-  
15 mination of the Retail Discount rate. The decisions of the  
16 Commission as to the National Credit Account shall be  
17 final. Said decisions shall be reported by the Commission  
18 to the Secretary of the Treasury, and said reports shall be  
19 used by him as the basis for the establishment and main-  
20 tenance of the National Credit Account.

21 The Commission shall use all reasonable ways and  
22 means to determine the retail discount rate as accurately  
23 as possible strictly in accordance with the methods pre-  
24 scribed in section 4 of title I of this Act and without any

1 extraneous influence or advice. The decisions of the Com-  
2 mission as to the retail discount rate shall be final.

3 The Commission shall have authority to employ and  
4 fix the compensation of such special experts, examiners,  
5 statisticians, clerks, and other employees as it may from  
6 time to time find necessary for the proper performance of its  
7 duties.

8 The Commission shall establish and maintain a statis-  
9 tical bureau to collect and coordinate the data necessary for  
10 carrying out the provisions of this Act and shall be guided  
11 in its decisions by the facts disclosed. All statistical depart-  
12 ments of the Federal Government shall furnish such aid and  
13 information as may be required by the Commission.

14 The Commission shall have authority to call for data  
15 and statistics from all economic organizations, trade asso-  
16 ciations, and private businesses which may be required in  
17 the judgment of the Commission for carrying out the pur-  
18 poses of this Act, and any refusal to furnish such data or  
19 information shall be punishable upon conviction]thereof, by  
20 a fine of not more than \$1,000, or imprisonment for not  
21 more than one year, or both.

22 It shall be the duty of the Commission to fix the serv-  
23 ice charge for the handling of retail discount vouchers by  
24 the banks, as prescribed in this Act.

1       The salaries of the Commissioners and all expenses of  
2 the Commission shall be paid by the issue of Treasury credit  
3 certificates in the same manner as provided in this Act, in  
4 the case of the national consumers' dividend.

5 INTERFERENCE WITH FUNCTIONS OF THE COMMISSION

6       SEC. 203. It shall be unlawful for any person—

7       (1) to prevent or attempt to prevent, by force, intimi-  
8 dation, threat, promise, or in any other manner, any mem-  
9 ber or employee of the Commission from exercising the func-  
10 tions imposed upon the Commission;

11       (2) to induce, or attempt to induce, by like means  
12 any such member or employee to make any decisions or  
13 order, or to take any action with respect to any matter  
14 within the authority of the commission;

15       (3) to induce, or attempt to induce, by like means  
16 any such member or employee to disclose any information  
17 whatever except through the channels provided in this Act.

18 TITLE III—NATIONAL CREDIT CERTIFICATES

19       AND FRACTIONAL RESERVE

20       SECTION 301. The Secretary of the Treasury is hereby  
21 authorized and directed to issue through the Federal  
22 Reserve System or other agency designated by him,  
23 Treasury Credit Certificates in such denominations as may  
24 be deemed advisable by him, and in such amounts and at  
25 such times as may be required in order to effectuate the



1 purposes of this Act. Said credit certificates shall be  
2 charged against the national credit account, and shall be  
3 issued without regard to the provisions of any law govern-  
4 ing the expenditure of public funds. Said credit certificates  
5 shall be issued to the banks or other agencies herein  
6 provided (1) as authorization to the banks for the credits  
7 established by them to the accounts of their customers  
8 pursuant to the requirements of this title, and (2) as  
9 authorization to the banks, or other agencies, for the estab-  
10 lishment of Treasury credits to be used for the purposes  
11 specified in this Act.

12 SEC. 302. The said national credit certificates shall  
13 be issued by the Secretary of the Treasury in such amounts  
14 as shall be called for by the banks in the course of the  
15 writing up of the deposits of customers who are retailers  
16 within the meaning of this Act. In no case shall the face  
17 value of the national credit certificates be issued in excess  
18 of the total write-up of the said retailers' accounts.

19 SEC. 303. The banks shall furnish to the National  
20 Credit Commission, under oath, at the time of applying for  
21 said certificates a statement of the amounts credited under  
22 this Act to the said retailers.

23 Every bank having depositors whose business is that  
24 of dispensing goods at retail as provided in this Act, is  
25 hereby directed to open a National Credit Certificate Ac-

1 count and to charge this account with the face value of  
2 all certificates furnished to it by the United States Treasury  
3 through such agencies as the Secretary of the Treasury may  
4 designate, and to credit the same to its customers who  
5 dispense the said discount at retail in accordance with the  
6 retail discount vouchers deposited by them.

7       The total amount of the new deposits arising from the  
8 discounts shall be charged daily to the National Credit  
9 Certificate Account. In turn, this account shall be credited  
10 and the General Ledger Deposits Account shall be charged  
11 with the equivalent amounts, so that the National Credit  
12 Certificate Account shall be at all times approximately in  
13 balance.

14       Settlements may be made regularly with the Treasury  
15 at any convenient periods, or as may be designated by  
16 the National Credit Commission. Said Commission may  
17 authorize the District Federal Reserve Banks to make  
18 settlements as its representatives.

19       Retailers' deposit accounts written up by the method  
20 herein provided shall be treated by all banks as part of their  
21 circulating deposits, just as if the write-up had occurred  
22 through the discounting of the customer's own note, and the  
23 checks drawn against them shall circulate in the usual  
24 manner.

## CLEARING HOUSE OPERATIONS

SEC. 304. All clearing house associations and all correspondents authorized] to make interbank clearances are hereby authorized and instructed to accept national credit certificates from any bank in settlement of interbank] balances, in the ratio that the amount of deposits they gave rise to bears to the total deposits of the bank tendering the certificates. Any bank receiving said national credit certificates in settlement of a favorable balance from its clearing house is hereby authorized and instructed to credit its National Credit Certificate Account with the amount so received and to charge its General Ledger Deposits Account with the same. In like manner, the bank so disposing of said certificates shall credit its General Ledger Deposits Account and charge its National Credit Certificate Account with the face value of the certificates so disposed of. Both the paying and receiving banks shall then distribute the credits or debits to the customers entitled to them in the usual manner and shall charge or credit the National Credit Certificate Account with the corresponding total.

## DECLARATION OF POLICY

SEC. 305. It is the intent of this Act that the National Credit Account in all banks shall be maintained in approximate balance at all times.



1       It is the intent of this Act to control the volume of  
2 the means of payment for goods and services in harmony  
3 with the ability of the whole Nation to produce and con-  
4 sume them on a rising standard of living, so that excess  
5 expansion of money and a consequent undue advance in  
6 the price level shall not occur, and that the present system  
7 of issuing money through private initiative for profit, result-  
8 ing in recurrent disastrous inflations and deflations, shall  
9 cease.

10       To such end the privilege of the commercial banking  
11 system to make loans and issue deposits against them on the  
12 basis of fractional reserves is hereby rescinded. The right of  
13 the banks to loan the means of payment shall be limited  
14 to the amount of primary deposits in their possession and  
15 their own resources. Such loans shall be for account of  
16 the depositors, and shall be charged against the balances  
17 of said depositors and credited to the borrowers. The banks  
18 shall act solely as agents in the loaning of customers'  
19 deposits, and shall receive therefor a commission for col-  
20 lection of interest, the amount of which shall be fixed by  
21 the National Credit Commission, but not in excess of ten  
22 per centum of interest return upon such loans: *Provided,*  
23 That upon the authority of the National Credit Commission  
24 the banks may at their discretion allow interest, not exceed-  
25 ing one per centum per annum, to time deposit customers

1 whose funds they have been unable to loan or who desire  
2 to retain their deposits unemployed. The responsibility  
3 of the banks to their customers under this provision shall  
4 be the same as now obtains in the existing system of "loans  
5 for account of others."

6 The privilege of the banks to rediscount commercial  
7 paper and borrow upon Government securities at the Fed-  
8 eral Reserve Banks shall be limited to collateral actually  
9 owned by them. Collateral security conveyed to them as  
10 agents for depositors for whom they have negotiated loans,  
11 shall be held in trust for account of such depositors during  
12 the life of the loan.

13 Depositors who have authorized the loaning of their  
14 deposits shall give sufficient notice to the bank of their  
15 desire to withdraw such funds. The banks may transfer  
16 any loan from one depositor to another, at the same time  
17 transferring the collateral in trust, rather than having re-  
18 course to calling in the loan and reissuing it.

19 A bank shall be entitled to charge a commission to the  
20 borrower for negotiating loans not exceeding 1 per centum  
21 of the face value of the loan.

## 22 BANK DEPOSITS PAYABLE IN LEGAL TENDER CURRENCY

23 SEC. 306. It is hereby enacted that the Comptroller  
24 of the Currency shall at all times be prepared to meet the  
25 requirements of the banks for such currency, legal tender

1 for all debts public and private, as may be called for with-  
2 drawal from them by their customers.

3 Transfer of collateral to offset the drafts of currency so  
4 demanded shall not be required of the banks. The privilege  
5 of creating deposits upon a fractional basis of reserves having  
6 been withdrawn from the banks in the interest of sound  
7 national money, it becomes the responsibility of the National  
8 Government to see that the primary bank deposits already  
9 brought into existence under the existing system can be  
10 validated.

11 The banks shall return all currency that has been with-  
12 drawn for validation of deposits to the Comptroller when  
13 redeposited, excepting only such working reserves of  
14 normally circulating currency as may be required. Nothing  
15 in this Act shall be interpreted as releasing the banks from  
16 obligations they have already incurred to the United States  
17 Treasury or Federal Reserve Banks for currency now in  
18 their possession.

19 The banks shall furnish a strict accounting of the cur-  
20 rency called for by their customers in excess of normal  
21 requirements of business, such as might occur in time of  
22 financial stress.

23 The banks shall act simply as agents of the Comptroller  
24 of the Currency in validating bank deposit money with legal



1 tender currency and no charge therefor shall be made upon  
2 either side for such service.

3 SEC. 307. Improper use of the Certificates herein pro-  
4 vided to be issued shall be a misdemeanor and shall be pun-  
5 ished by a fine of not exceeding \$10,000 and imprisonment  
6 for not exceeding five years.

7 TITLE IV—CREDIT CERTIFICATE RETIREMENT  
8 FUND

9 DECLARATION OF POLICY

10 SECTION 401. In order to establish a system of circulat-  
11 ing money which shall at all times conform to the capacity of  
12 the industries and people of the United States for the pro-  
13 duction of wanted goods and services, it is hereby declared  
14 to be the policy of Congress to prevent the undue expansion  
15 of money as well as to eliminate the contraction of money  
16 in times of slackness of trade. It is the intent of Congress,  
17 whenever deemed necessary by the Federal Reserve Board  
18 and its Open Market Committee, that the present controls  
19 over the supply of money through open market operations  
20 and the discount rate shall be employed as heretofore to  
21 maintain a balanced credit structure.

22 ESTABLISHMENT OF CREDIT CERTIFICATE RETIREMENT  
23 FUND

24 SEC. 402. In order to effectuate the purposes of this  
25 title, a Credit Certificate Retirement Fund shall be estab-

1 lished for the purpose of retiring from time to time, as  
2 hereinafter provided, the Treasury credit certificates herein  
3 authorized. For said fund there shall be set aside one-fourth  
4 of the national revenues in each fiscal year over and above  
5 the amount required to balance the normal budget estimates  
6 for that year.

#### 7 RETIREMENT OF CREDIT CERTIFICATES

8 SEC. 403. The Secretary of the Treasury shall use said  
9 Credit Certificate Retirement Fund, or such portion thereof  
10 as shall seem to him advisable, for the retirement of said  
11 Treasury credit certificates whenever in his judgment, acting  
12 upon the records of the Federal Credit Commission, an  
13 unduly expanded monetary condition exists or is impending.

14 If, in the opinion of the President of the United States,  
15 the operation of the Retirement Fund as above provided is  
16 insufficient in any instance to check an unduly expanded  
17 monetary condition, or an inflationary rise of the general  
18 price level, the President is authorized, in his discretion, to  
19 establish a negative retail discount rate not to exceed 20  
20 per centum upon all goods and services, except foodstuffs,  
21 clothing, household fuels, dwellings, and rentals of dwellings.  
22 Said negative retail discount rate shall be subject to the same  
23 provisions of law as the retail discount rate.

24 The negative retail discount rate, whenever imposed,  
25 shall be added by the retailer to the retail price of goods

1 and services to consumers, and shall be reported by the  
2 retailer to his bank, upon forms to be prescribed by the  
3 Secretary of the Treasury, and paid to the bank. Payments  
4 of said negative retail discount shall be credited by the  
5 banks, as received by them, to the national credit account,  
6 and the proceeds thereof shall be applied to the retirement  
7 of Treasury credit certificates in like amount.

8 It shall be the duty of the Federal Credit Commission  
9 to collect and maintain all statistics and information which  
10 shall be required by the Secretary of the Treasury or the  
11 President for the purposes of this Title.

## 12 TITLE V—GENERAL PROVISIONS

13 SECTION 501. The National Deposit Insurance Act is  
14 hereby repealed and the Federal Deposit Insurance Cor-  
15 poration is ordered to be wound up.

16 SEC. 502. Any person who violates any of the pro-  
17 visions of this Act shall be punished, upon conviction  
18 thereof, by a fine of not more than \$1,000, or imprisonment  
19 for one year, or both, in cases where no other punishment  
20 is provided in this Act.

21 SEC. 503. In addition to the specific powers conferred  
22 by this Act, the Secretary of the Treasury is authorized to  
23 make such rules and regulations as he may deem necessary  
24 to carry out the provisions of this Act.



1        SEC. 504. The necessary moneys for carrying out the  
2        provisions of this Act are hereby appropriated, and this  
3        appropriation shall be deemed a permanent and indefinite  
4        appropriation.

5 SEC. 505. All laws and parts of laws inconsistent with  
6 the provisions of this Act are hereby repealed.

7 SEC. 506. If any provision of this Act, or the appli-  
8 cation thereof to any person or circumstances, is held invalid,  
9 the remainder of the Act, and the application of such pro-  
10 vision to other persons or circumstances, shall not be affected  
11 thereby.

12 SHORT TITLE

13 SEC. 507. This Act may be cited as the "National  
14 Income and Credit Issue Act".

AVERY ARCHITECTURAL AND FINE ARTS LIBRARY

GIFT OF SEYMOUR B. DURST OLD YORK LIBRARY

74TH CONGRESS } H. R. 9216  
1st Session

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## A BILL

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To restore to Congress its Constitutional power to issue money and regulate the value thereof; to provide monetary income to the people of the United States at a fixed and equitable purchasing power of the dollar, ample at all times to enable the people to buy wanted goods and services at full capacity of the industries and commercial facilities of the United States; to abolish the practice of creating bank deposits by private groups upon fractional reserves and for other purposes.

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By Mr. GOLDBROUGH

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AUGUST 22, 1935

Referred to the Committee on Banking and Currency  
and ordered to be printed